

RFP Title: Fixed Assets Management System
RFP Number: 12-0209-FAM

REQUEST FOR PROPOSALS

***SUPERIOR COURT OF CALIFORNIA,
COUNTY OF FRESNO***

REGARDING:

12-0209-FAM

Fixed Assets Management System

PROPOSALS DUE:

THURSDAY, FEBRUARY 9, NO LATER THAN 4:00 P.M. PACIFIC TIME

1.0 BACKGROUND INFORMATION

The Superior Court of California, County of Fresno ("Court") is seeking a qualified vendor ("Contractor") to provide an asset tracking software system for inventory and control of all court-owned assets, including installation and training. The Contractor will supply recommended software, barcode scanners to input the information, and training for specific personnel that will manage the system. The Court will supply its own support and maintenance of the software, once the project is completed. The chosen software must be compatible and interface seamlessly with the Court's existing financial software system, SAP, Inc.

The Court is additionally seeking a qualified vendor to supply services to inventory all court assets and upload same information into the asset tracking software. The Court has 14 locations of various sizes with variable assets including furniture and fixtures, technical equipment, A/V equipment, etc. The Court has a partial listing of items, but needs to complete a full inventory of all items that can be recounted each year and updated as necessary. This will entail retagging items already asset-tagged, as well as tagging items not already tagged.

One or more Contractors may be awarded the resulting contract(s) for IT Goods and Services.

2.0 DESCRIPTION OF PROJECT AND DELIVERABLES

The Court seeks the services of a person or entity with expertise in asset tagging, inventory performance and asset tracking database management. The awarded Contractor(s) will:

- install, and setup barcode asset tracking software that can be maintained internally by Court;
- recommend a compatible barcode scanner to use with the software system;
- recommend the appropriate size and durability of asset tags as well as the best location for each tag on each asset/group of assets;
- recommend a solution to enable the Court to track assets that do not easily lend themselves to barcode tags such as artwork;
- propose a schedule and project timeline that will be the most cost-efficient solution to retag, optically scan, and photograph all assets in addition to conducting an actual physical inventory at 14 Court locations (see Attachment D);
- retag, optically scan, and photograph all assets and upload same into the database;
- conduct a physical inventory of all items as an audit of the now existing database to ensure all assets and respective information are included; and

- train appropriate Court personnel in the operation of the barcode scanners and management of the database.

2.1 Pursuant to the Court's asset capitalization policy, all items that are loaded into the asset tracking software are to be classified into one of three categories and tracked separately in the asset tracking software.

- Computer Software. Court uses custom and non-custom software programs in its daily operations. The asset tracking software should be able to track all computer software with asset tags affixed to the software licenses on file with the Court.
- Inventory items have an original value of between \$1,000.00 and \$5,000.00 with an anticipated useful life of more than one year. An item valued at less than \$1,000.00 shall also be classified as an Inventory Item if it is particularly subject to loss or theft. Examples include small office equipment, adding machines, cellular phones, tools, printers, and monitors.
- Fixed assets have an original value of \$5,000.00 or above with an anticipated useful life of more than one year. Examples of Fixed Assets are vehicles, security equipment, verbatim reporting equipment, servers, and copiers.

The following information shall be maintained in the asset tracking software for fixed assets, inventory items, and computer software:

1. Location
2. Division of the Fresno Superior Court to which assigned
3. Asset tag number
4. Asset description
5. Make
6. Model
7. Serial number
8. Name of contractor from which the property was acquired
9. Date of acquisition
10. Purchase cost
11. Purchase order number
12. Quantity

Additionally, the following information shall be maintained in the asset tracking software for Fixed Assets only:

13. *Value of the fixed asset (based on acquisition cost or appraisal at time of transfer), if applicable*
14. *Estimated useful life (if applicable)*

15. *Salvage value (if applicable)*
16. *Remaining balance (net book value), if applicable*
17. *Method of depreciation or amortization (if applicable)*
18. *Current period depreciation expense (if applicable)*
19. *Accumulated depreciation to date (if applicable)*

2.2 Technical Requirements. In order to maintain the asset tracking software internally, technology requirements are as follows:

- Server software should be compatible with Microsoft Windows Server Standard 2008 R2 (note: this is a 64-bit platform)
- Database(s) used to support the server software should be supported on a remote Microsoft SQL Server 2008 R2 SQL Server
- Server software should be supported on a VMware ESXi vSphere virtual server environment
- Client/user access shall be accomplished via a web browser interface, supported by Microsoft Internet Explorer 8 and 9, and not require software installation on user desktop computers
- If client/user access can only be accomplished by a software client, then the client should be compatible with (Microsoft Windows XP 32-bit/64-bit and Microsoft Windows 7 32-bit/64-bit)
- User access control should be accomplished by integration with Microsoft Active Directory and security groups.

2.3 Contractor will propose a time schedule to complete all required tasks within the normal business hours of the Court: 8:00 a.m. to 5:00 p.m. (PST). If the most cost-efficient timeline is not within the normal business hours Contractor will propose an alternate schedule without including any costs. Cost of each of the two alternatives will be discussed in the **Cost Proposal** and will not appear in the Technical proposal.

2.4 Some furniture configurations are arranged with individual pieces including a pedestal and file drawers, two desk top pieces, and a corner brace. As part of this project, Contractor is expected to recommend the most efficient tagging/inventory of these pieces, i.e. count the configuration as one asset with a tag placed on one of the pieces in a defined location or count and tag each individual piece.

2.5 Contractor employees who will participate in any on-site work at Court must undergo and pass a full background check as a requirement of this contract. All costs associated with the background checks must be included in the vendor's cost proposal. Vendor employees will not be granted access without a background check on file with the Court.

Additionally, Court personnel will escort Contractor employees for all on-site work conducted by the Contractor. Contractor employees must be in

the presence and line of sight of the Court's escort at all times while work is being performed. A maximum of three court-designated escorts may be provided at any given time throughout the duration of this contract. It is the Contractor's responsibility to coordinate all personnel accordingly to complete the items outlined in this Scope of Work according to Contractor's proposed schedule.

- 2.6 The asset management software will be set up on a PC or server and Contractor will provide training for appropriate personnel in both the operation of the bar code scanner and the asset management software. Training will also include the future export of fixed asset information to the accounting and finance system developed by SAP, Inc.
- 2.7 Contractor will invoice the Court following the achievement of the milestones listed below. Court will retain 10% of each invoice until final acceptance of the completed project.

Milestone 1 - all assets are uploaded into the asset tracking software. 100% of assets are retagged, optically scanned, and photographed with these images uploaded into the system.

Milestone 2 - physical inventory is completed. All assets are reconciled to the newly installed database. Assets physically located during the inventory that were not uploaded into the database were added and identified as "additions". Assets that were included in the database but not physically located during the inventory were located and returned to original location or the database was updated to reflect actual location.

Milestone 3 - training is complete. Contractor provided scanner operation and database management to appropriate personnel.

Milestone 4 – final report is given to Court. Court has performed user testing and has given final acceptance to the finished project. At this time the final 10% of the contract price will be released.

- 2.8 The Court expects to award the contract(s) by March 1, 2012 and the completion of the project is expected on or before June 1, 2012 with final payment on or before July 1, 2012.

3.0 TIMELINE FOR THIS RFP

The Court has developed the following list of key events related to this RFP. All dates are subject to change at the discretion of the Court.

EVENT	DATE
RFP issued	January 17, 2012
Pre-proposal Conference (<i>optional</i>)	January 20, 2012
Deadline for questions	January 23, 2012 5:00 p.m.
Questions and answers posted	January 25, 2012 5:00 p.m.
Proposal due date and time	February 9, 2012 4:00 p.m.
Evaluation of proposals (<i>estimate only</i>)	February 16, 2012
Notice of Intent to Award (<i>estimate only</i>)	February 17, 2012
Negotiations and execution of contract (<i>estimate only</i>)	February 21-29, 2012
Contract start date (<i>estimate only</i>)	March 1, 2012
Contract end date (<i>estimate only</i>)	June 1, 2012

4.0 COURT CONTACT

The following court website ("Website") and email address ("Mailbox") will be used for all contact with the Court regarding this RFP, including questions, notices, addenda, etc., (as listed in Attachment 1, below). Unauthorized contact with any Court personnel may be cause for rejection of the vendor's response.

For notices FROM the Court: www.fresnosuperiorcourt.org/procurement

For questions/comments TO the Court: solicitations@fresno.courts.ca.gov
("Mailbox")

5.0 RFP ATTACHMENTS

The following attachments are included as part of this RFP:

ATTACHMENT	DESCRIPTION
Attachment A: Administrative Rules Governing RFPs	These rules govern this solicitation, includes pre-proposal details.
Attachment B: Court Standard Terms and Conditions	<p>If selected, the person or entity submitting a proposal (the “Proposer”) must sign a Court Standard Form agreement containing these – and possibly other - terms and conditions (the “Terms and Conditions”).</p> <p>Some of the provisions within the Terms and Conditions are Minimum Contract Terms and Conditions, the exception of which will render a proposal non-responsive.</p>
Attachment C: Acceptance of Terms and Conditions	<p>On this form, the Proposer must indicate acceptance of the Terms and Conditions or identify exceptions to the Terms and Conditions.</p> <p>Note: A material exception to a Minimum Term will render a proposal non-responsive.</p>
Attachment D: Court Locations	Court Locations, including approximate square footages
Attachment E: FIN 9.01	Judicial Council of California, Trial Court Financial Policies And Procedures Policy for Fixed Asset Management

6.0 PRE-PROPOSAL CONFERENCE

The Court will hold an optional pre-proposal conference on the date identified in the timeline above. The pre-proposal conference will be held at the Court’s offices at 1100 Van Ness Avenue, Fresno, CA 93724. Proposers interested in attending should contact the Court for exact time and place via Mailbox.

7.0 SUBMISSIONS OF PROPOSALS

- 7.1 Proposals should provide straightforward, concise information that satisfies the requirements of the “Proposal Contents” section below. Expensive bindings, color displays, and the like are not necessary or desired. Emphasis should be placed on conformity to the RFP’s instructions and requirements, and completeness and clarity of content.

- 7.2 The Proposer must submit its proposal in two parts, the technical proposal and the cost proposal.
- a. The Proposer must submit **one technical proposal**, which must be signed by an authorized representative of the Proposer. No costs are to be included in this proposal. This proposal must be broken down into two parts – software (goods) and inventory (services).
Format: WORD ONLY.
 - b. The Proposer must submit **one cost proposal**, separate from the technical proposal, which must be signed by an authorized representative of the Proposer. This proposal must be broken down into two parts – software (goods) and inventory (services). Format: EXCEL or PDF ONLY.
 - c. The Proposer may *additionally* submit an electronic version of the entire proposal on CD-ROM. The files contained on the CD-ROM should be as follows: Technical proposal in Word format ONLY; cost proposal in PDF or Excel format ONLY. This will keep the technical and cost proposals separate as the cost proposal will not be reviewed unless and until the technical proposal is found to be responsive.
- 7.3 Proposals must be delivered by the date and time listed on the coversheet of this RFP to:
- solicitations@fresno.courts.ca.gov
or
Fresno Superior Court
Attn: Carmen Lango,
Procurement and Contracting Officer
1100 Van Ness Avenue
Fresno, CA 93724
- 7.4 Late proposals will not be accepted.
- 7.5 Proposals may be sent by registered or certified mail, courier service (e.g. FedEx), or delivered by hand. Proposals must be transmitted by email, but the cost proposal must be a separate document (attachment) from the technical proposal (see 7.2(b) above).

8.0 PROPOSAL CONTENTS

- 8.1 Technical Proposal. The following information must be included in the technical proposal. A proposal lacking any of the following information may be deemed non-responsive.
- a. Proposer's name, address, telephone and fax numbers, and federal tax identification number. Note that if Proposer is a sole proprietor using his or her social security number, the social security number will be required before finalizing a contract.
 - b. Name, title, address, telephone number, and email address of the individual who will act as Proposer's designated representative for purposes of this RFP.
 - c. For each key staff member: a resume describing the individual's background and experience, as well as the individual's ability and experience in conducting the proposed activities.
 - d. Names, addresses, and telephone numbers of a minimum of seven (7) clients for whom the Proposer has conducted similar services. The Court may check references listed by Proposer.
 - e. Proposed method to complete the work.
 1. Contractor will propose a time schedule for the asset tagging, inventory, and audit of the database and submit to Court for approval prior to beginning work.
 2. Contractor will have experience in projects of this size and scope.
 3. Contractor will meet all time schedules.
 - f. Acceptance of the Terms and Conditions.
 1. On Attachment C, the Proposer must either indicate acceptance of the Terms and Conditions or clearly identify exceptions to the Terms and Conditions. An "exception" includes any addition, deletion, qualification, limitation, or other change.
 2. If exceptions are identified, the Proposer must also submit a red-lined version of the Terms and Conditions that clearly tracks proposed changes, and a written explanation or rationale for each exception and/or proposed change.

3. Note: A material exception to a Minimum Term will render a proposal non-responsive.

g. Certifications, Attachments, and other requirements.

1. Proposer must include the following certification in its proposal:

Proposer has no interest that would constitute a conflict of interest under California Public Contract Code sections 10365.5, 10410 or 10411; Government Code sections 1090, et seq. or 87100, et seq.; or rule 10.103 or rule 10.104 of the California Rules of Court, which restrict employees and former employees from contracting with judicial branch entities.

2. If Proposer is a corporation, proof that Proposer is in good standing and qualified to conduct business in California.

3. Copies of current business licenses, professional certifications, or other credentials, especially as regards work of this nature.

4. Proof of financial solvency or stability (e.g., balance sheets and income statements).

8.2 Cost Proposal. The following information must be included in the cost proposal.

1. A detailed line item budget showing total cost of the proposed services.

2. A full explanation of all budget line items in a narrative entitled "Budget Justification."

3. A "not to exceed" total for all work and expenses payable under the contract, if awarded.

4. If alternate time schedules are offered in the Technical Proposal, alternate costs must be provided.

NOTE: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code.

9.0 VALIDITY PERIOD

A proposal is an irrevocable offer for ninety (90) days following the proposal due date. In the event a final contract has not been awarded within this period, the Court reserves the right to negotiate extensions to this period.

10.0 EVALUATION OF PROPOSALS

At the time proposals are opened, each proposal will be checked for the presence or absence of the required proposal contents.

The Court will evaluate the proposals on a 150 point scale using the criteria set forth in the table below. Award, if made, will be based on to the highest scored proposal.

CRITERION	MAXIMUM NUMBER OF POINTS
<i>Quality of work plan submitted</i>	<i>20 points</i>
<i>Experience on similar assignments</i>	<i>30 points</i>
<i>Cost</i>	<i>30 points</i>
<i>Credentials of staff to be assigned to the project</i>	<i>20 points</i>
<i>Acceptance of the Terms and Conditions</i>	<i>30 points</i>
<i>Ability to meet timing requirements to complete the project</i>	<i>20 points</i>

11.0 INTERVIEWS

The Court may conduct interviews with Proposers to clarify aspects set forth in their proposals or to assist in finalizing the ranking of top-ranked proposals. The interviews may be conducted by phone. The Court will notify eligible Proposers regarding interview arrangements.

12.0 CONFIDENTIAL OR PROPRIETARY INFORMATION

One copy of each proposal will be retained by the Court for official files and will become a public record. California judicial branch entities are subject to rule 10.500 of the California Rule of Court, which governs public access to judicial administrative records (see www.courtinfo.ca.gov/cms/rules/index.cfm?title=ten&linkid=rule10_500).

If information submitted in a proposal contains material noted or marked as confidential and/or proprietary that, in the Court's sole opinion, meets the disclosure exemption requirements of Rule 10.500, then that information will not

be disclosed upon a request for access to such records. If the Court finds or reasonably believes that the material so marked is **not** exempt from disclosure, the Court will disclose the information regardless of the marking or notation seeking confidential treatment.

13.0 DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION GOALS

The Court has waived the inclusion of DVBE participation in this solicitation.

14.0 PROTESTS

Any protests will be handled in accordance with Chapter 7 of the Judicial Branch Contract Manual (see www.courts.ca.gov/documents/jbcl-manual.pdf). Failure of a Proposer to comply with the protest procedures set forth in that chapter will render a protest inadequate and non-responsive, and will result in rejection of the protest.

The deadline for the Court to receive a solicitation specifications protest is February 3, 2012, by 5:00 p.m. Protests should be sent to Mailbox:

solicitations@fresno.courts.ca.gov

[END OF MAIN DOCUMENT]

ATTACHMENT A

ADMINISTRATIVE RULES GOVERNING RFPS

1. COMMUNICATIONS WITH COURT REGARDING THE RFP

Except as specifically addressed elsewhere in the RFP, Proposers must send any communications regarding the RFP to solicitations@fresno.courts.ca.gov ("Mailbox"). Proposers must include the RFP Number in the subject line of any communication. Unauthorized contact with any Court personnel may be cause for rejection of the vendor's response.

2. QUESTIONS REGARDING THE RFP

- A. If a Proposer's question relates to a proprietary aspect of its proposal and the question would expose proprietary information if disclosed to competitors, the Proposer may submit the question via Mailbox, conspicuously marking it as "CONFIDENTIAL." With the question, the Proposer must submit a statement explaining why the question is sensitive. If the Court concurs that the disclosure of the question or answer would expose proprietary information, the question will be answered, and both the question and answer will be kept in confidence. If the Court does not concur regarding the proprietary nature of the question, the question will not be answered in this manner and the Proposer will be notified.
- B. Proposers interested in responding to the RFP may submit questions via Mailbox on procedural matters related to the RFP or requests for clarification or modification of the RFP no later than the deadline for questions listed in the timeline of the RFP. If the Proposer is requesting a change, the request must set forth the recommended change and the Proposer's reasons for proposing the change. Questions or requests submitted after the deadline for questions will not be answered. Without disclosing the source of the question or request, a copy of the questions and the Court's responses will be made available on the Website, by the date listed in the RFP events schedule.

3. ERRORS IN THE RFP

- A. If, before the proposal due date and time listed in the timeline of the RFP, a Proposer discovers any ambiguity, conflict, discrepancy, omission, or error in the RFP, the Proposer must immediately notify the Court via Mailbox and request modification or clarification of the RFP. Without disclosing the source of the request, the Court may modify the RFP before the proposal due date and time by releasing an addendum to the solicitation.

- B. If a Proposer fails to notify the Court of an error in the RFP known to Proposer, or an error that reasonably should have been known to Proposer, before the proposal due date and time listed in the timeline of the RFP, Proposer shall propose at its own risk. Furthermore, if Proposer is awarded the agreement, Proposer shall not be entitled to additional compensation or time by reason of the error or its later correction.

4. ADDENDA

- A. The Court may modify the RFP before the proposal due date and time listed in the timeline of the RFP by issuing an addendum on Website. It is each Proposer's responsibility to inform itself of any addendum prior to its submission of a proposal.
- B. If any Proposer determines that an addendum unnecessarily restricts its ability to propose, the Proposer shall immediately notify the Court via Mailbox no later than one day following issuance of the addendum.

5. WITHDRAWAL AND RESUBMISSION/MODIFICATION OF PROPOSALS

A Proposer may withdraw its proposal at any time before the deadline for submitting proposals by notifying the Court in writing of its withdrawal. The notice must be signed by the Proposer. The Proposer may thereafter submit a new or modified proposal, provided that it is received at the Court no later than the proposal due date and time listed in the timeline of the RFP. Modifications offered in any other manner, oral or written, will not be considered. Proposals cannot be changed or withdrawn after the proposal due date and time listed in the timeline of the RFP.

6. ERRORS IN THE PROPOSAL

If errors are found in a proposal, the Court may reject the proposal; however, the Court may, at its sole option, correct arithmetic or transposition errors or both on the basis that the lowest level of detail will prevail in any discrepancy. If these corrections result in significant changes in the amount of money to be paid to the Proposer (if selected for the award of the agreement), the Proposer will be informed of the errors and corrections thereof and will be given the option to abide by the corrected amount or withdraw the proposal.

7. RIGHT TO REJECT PROPOSALS

- A. Before the proposal due date and time listed in the timeline of the RFP, the Court may cancel the RFP for any or no reason. After the proposal due date and time listed in the timeline of the RFP, the Court may reject all proposals and cancel the RFP if the Court determines that: (i) the proposals received are not really competitive; (ii) the cost is not reasonable; (iii) the cost exceeds the amount expected; or (iv) awarding the contract is not in the best interest of the Court.

- B. The Court may or may not waive an immaterial deviation or defect in a proposal. The Court's waiver of an immaterial deviation or defect shall in no way modify the RFP or excuse a Proposer from full compliance with RFP specifications. Until a contract resulting from this RFP is signed, the Court reserves the right to accept or reject any or all of the items in the proposal, to award the contract in whole or in part and/or negotiate any or all items with individual Proposers if it is deemed in the Court's best interest. A notice of Intent to Award does not constitute a contract, and confers no right of contract on any Proposer.
- C. The Court reserves the right to issue similar RFPs in the future. The RFP is in no way an agreement, obligation, or contract and in no way is the Court or the State of California responsible for the cost of preparing the proposal.
- D. Proposers are specifically directed **NOT** to contact any Court personnel or consultants for meetings, conferences, or discussions that are related to the RFP at any time between release of the RFP and any award and execution of a contract. Unauthorized contact with any Court personnel or consultants may be cause for rejection of the Proposer's proposal.

8. EVALUATION PROCESS

- A. An evaluation team will review all proposals that are received by the appropriate deadline to determine the extent to which they comply with RFP requirements.
- B. Proposals that contain false or misleading statements may be rejected if in the Court's opinion the information was intended to mislead the evaluation team regarding a requirement of the RFP.
- C. Cost proposals will be reviewed *only* if a technical proposal is determined to be responsive. All figures entered on the cost proposal must be clearly legible.
- D. During the evaluation process, the Court may require a Proposer's representative to answer questions with regard to the proposal. Failure of a Proposer to demonstrate that the claims made in its proposal are in fact true may be sufficient cause for deeming a proposal non-responsive.
- E. In the event of a tie, the contract will be awarded to the winner of a single coin toss. The coin toss will be witnessed by two Court employees. The Court will provide notice of the date and time of the coin toss to the affected Proposers, who may attend the coin toss at their own expense.
- F. During the evaluation process, the Court may perform certain checks to determine if a Proposer is deemed ineligible for contract award. For example, Proposer must be qualified to do business in California and in good standing, and must not be in violation of the Recycled Content Plastic Trash Bag Law.

- G. If a contract will be awarded, the Court will post an Intent to Award notice on Website as listed in the RFP, Section Four (4).

9. DISPOSITION OF MATERIALS

All materials submitted in response to the RFP will become the property of the Court and will be returned only at the Court's option and at the expense of the Proposer submitting the proposal.

10. PAYMENT

- A. Payment terms will be specified in any agreement that may ensue as a result of the RFP.
- B. **THE COURT DOES NOT MAKE ADVANCE PAYMENT FOR SERVICES.** Payment is normally made based upon completion of tasks as provided in the agreement between the Court and the selected Proposer. The Court may withhold ten percent of each invoice until receipt and acceptance of the final deliverable. The amount of the withhold may depend upon the length of the project and the payment schedule provided in the agreement between the Court and the selected Proposer.

11. AWARD AND EXECUTION OF AGREEMENT

- A. Award of contract, if made, will be in accordance with the RFP to a responsible Proposer submitting a proposal compliant with all the requirements of the RFP and any addenda thereto (including any administrative or technical requirements), except for such immaterial defects as may be waived by the Court.
- B. A Proposer submitting a proposal must be prepared to use a standard Court contract form rather than its own contract form.
- C. The Court will make a reasonable effort to execute any contract based on the RFP within forty-five (45) days of selecting a proposal that best meets its requirements. However, exceptions taken by a Proposer may delay execution of a contract.
- D. Upon award of the agreement, the agreement shall be signed by the Proposer in two original contract counterparts and returned, along with the required attachments, to the Court no later than ten (10) business days of receipt of agreement form or prior to the end of June if award is at fiscal year-end. Agreements are not effective until executed by both parties and approved by the appropriate Court officials. Any work performed before receipt of a fully-executed agreement shall be at Proposer's own risk.

12. FAILURE TO EXECUTE THE AGREEMENT

The period for execution set forth in Section 11 ("Award and Execution of Agreement") may only be changed by mutual agreement of the parties. Failure to

execute the agreement within the time frame identified above constitutes sufficient cause for voiding the award. Failure to comply with other requirements within the set time constitutes failure to execute the agreement. If the successful Proposer refuses or fails to execute the agreement, the Court may award the agreement to the next qualified Proposer.

13. NEWS RELEASES

News releases or other publicity pertaining to the award of a contract may not be issued without prior written approval of the Court.

14. ANTI-TRUST CLAIMS

- A. In submitting a proposal to the Court, the Proposer offers and agrees that if the proposal is accepted, Proposer will assign to the Court all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the Proposer for sale to the Court pursuant to the proposal. Such assignment shall be made and become effective at the time the Court tenders final payment to the Proposer. (See Government Code section 4552.)
- B. If the Court receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this section, the Proposer shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the Court any portion of the recovery, including treble damages, attributable to overcharges that were paid.
- D. Upon demand in writing by the Proposer, the Court shall, within one year from such demand, reassign the cause of action assigned under this section if the Proposer has been or may have been injured by the violation of law for which the cause of action arose and (a) the Court has not been injured thereby, or (b) the Court declines to file a court action for the cause of action. (See Government Code section 4554.)

[END OF ATTACHMENT A]

ATTACHMENT B

General Terms & Conditions

[This document is typically an Attachment to the final contract document and references the Court as the Judicial Branch Entity or JBE. Those terms may be used interchangeably. Also, references in this document to “this Agreement” are referring to the contract that will be executed by the parties.]

1. Contractor Certification Clauses

1.1 Representations and Warranties. Contractor certifies that the following representations and warranties are true:

- (A) Authority. Contractor has authority to enter into and perform its obligations under this Agreement, and Contractor's signatory has authority to bind Contractor to this Agreement. This Agreement constitutes a valid and binding obligation of Contractor, enforceable in accordance with its terms. Contractor is qualified to do business and in good standing in the State of California.
- (B) Not an Expatriate Corporation. Contractor is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code section 10286.1, and is eligible to contract with the JBE.
- (C) Sales and Use Tax Collection. Contractor collects and remits sales and use taxes as and to the extent required under the Revenue and Taxation Code.
- (D) No Gratuities. Contractor has not directly or indirectly offered or given any gratuities (in the form of entertainment, gifts, or otherwise), to any Judicial Branch Personnel with a view toward securing this Agreement or securing favorable treatment with respect to any determinations concerning the performance of this Agreement.
- (E) No Conflict of Interest. Contractor has no interest that would constitute a conflict of interest under Public Contract Code sections 10365.5, 10410 or 10411; Government Code sections 1090 et seq. or 87100 et seq.; or California Rules of Court, rule 10.103 or 10.104, which restrict employees and former employees from contracting with Judicial Branch Entities.
- (F) No Interference with Other Contracts. To the best of Contractor's knowledge, this Agreement does not create a material conflict of interest or default under any of Contractor's other contracts.
- (G) No Litigation. No suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation is pending or, to Contractor's

knowledge, threatened against or affecting Contractor or Contractor's business, financial condition, or ability to perform this Agreement, except any suit, action, arbitration, proceeding, or investigation that individually or in the aggregate with others will not or would not have a material adverse effect on Contractor's business, the validity or enforceability of this Agreement, or Contractor's ability to perform this Agreement.

- (H) Compliance with Laws Generally. Contractor complies in all material respects with all laws, rules, and regulations applicable to Contractor's business and services, and pays all undisputed debts when they come due.
- (I) Work Eligibility. All personnel assigned to perform this Agreement are able to work legally in the United States and possess valid proof of work eligibility.
- (J) Drug Free Workplace. Contractor provides a drug-free workplace as required by California Government Code sections 8355 through 8357.
- (K) No Harassment. Contractor does not engage in unlawful harassment, including sexual harassment, with respect to any persons with whom Contractor may interact in the performance of this Agreement, and Contractor takes all reasonable steps to prevent harassment from occurring.
- (L) Non-discrimination. Contractor complies with the federal Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and California's Fair Employment and Housing Act (Government Code sections 12990 et seq.) and associated regulations (Code of Regulations, title 2, sections 7285 et seq.). Contractor does not unlawfully discriminate against any employee or applicant for employment because of age (40 and over), ancestry, color, creed, disability (mental or physical) including HIV and AIDS, marital or domestic partner status, medical condition (including cancer and genetic characteristics), national origin, race, religion, request for family and medical care leave, sex (including gender and gender identity), and sexual orientation. Contractor has notified in writing each labor organization with which Contractor has a collective bargaining or other agreement of Contractor's obligations of non-discrimination.
- (M) Special Provisions regarding Compliance with National Labor Relations Board Orders. If this Agreement provides for making any purchase of goods or services from a private entity, except for a purchase of goods by credit card for an amount less than \$2,500 from any one Contractor (but not to exceed in the aggregate \$7,500 per year from the Contractor), no more than one, final unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding

two-year period because of Contractor's failure to comply with an order of a federal court requiring Contractor to comply with an order of the National Labor Relations Board. Contractor swears under penalty of perjury that this representation is true.

(N) Electronic Waste Recycling Act. If this Agreement provides for the purchase or lease of covered electronic devices under the Electronic Waste Recycling Act of 2003, Public Resources Code sections 42460, et seq., Contractor complies with the requirements of that Act, and Contractor maintains documentation and provides reasonable access to its records and documents that evidence compliance.

1.2 Covenant as to Representations and Warranties. Contractor shall cause its representations and warranties to remain true during the Term. Contractor shall promptly notify the JBE if any representation and warranty becomes untrue.

2. Indemnity

Contractor shall indemnify and defend (with counsel satisfactory to the JBE Office of the General Counsel) Judicial Branch Entities and Judicial Branch Personnel against all claims, damages, losses, and expenses, including attorney fees and costs, founded upon (i) Contractor's performance of, or failure to perform, the services or Contractor's other duties under this Agreement, or (ii) any other breach by Contractor of this Agreement. Contractor's duties of indemnification exclude indemnifying a party for that portion of losses and expenses that are finally determined by a reviewing court to have arisen out of the sole negligence or willful misconduct of the indemnified party.

3. Insurance

3.1 Basic Coverage. Contractor shall provide and maintain at Contractor's expense the following insurance during the Term:

- A. Workers Compensation and Employer's Liability. The policy is required only if Contractor has employees. It must include workers' compensation to meet minimum requirements of the California Labor Code, and it must provide coverage for employer's liability bodily injury at minimum limits of \$1 million per accident or disease;
- B. Commercial Automobile Liability. The policy must cover bodily injury and property damage liability and be applicable to all vehicles used in Contractor's performance of services under this Agreement whether owned, non-owned, leased, or hired. The minimum liability limit must be \$1 million per occurrence, combined single limit; and

C. *Commercial Crime Insurance*. The policy must cover dishonest acts including loss due to theft of money, securities, and property; forgery, and alteration of documents; damage to our buildings, and property; and fraudulent transfer of money, securities, and property. The minimum liability limit must be \$_____. *[The value of property at risk will be added in contract document]*

- 3.2 **“Claims Made” Coverage.** If any required insurance is written on a “claims made” form, Contractor shall maintain the coverage continuously throughout the Term, and, without lapse, for three years beyond the termination or expiration of this Agreement and the JBE’s acceptance of all services provided under this Agreement. The retroactive date or “prior acts inclusion date” of any “claims made” policy must be no later than the date that services commence under this Agreement.
- 3.3 **Umbrella Policies.** Contractor may satisfy basic coverage limits through any combination of basic coverage and commercial umbrella liability insurance.
- 3.4 **Aggregate Limits of Liability.** The basic coverage limits of liability may be subject to annual aggregate limits. If this is the case the annual aggregate limits of liability must be at least two times the limits required for each policy, or the aggregate may equal the limits required but must apply separately to this Agreement.
- 3.5 **Deductibles and Self-Insured Retentions.** Contractor shall declare to the JBE all deductibles and self-insured retentions that exceed \$100,000 per occurrence. Any increases in deductibles or self-insured retentions that exceed \$100,000 per occurrence are subject to the JBE’s approval. Deductibles and self-insured retentions do not limit Contractor’s liability.
- 3.6 **Additional Insured Status.** Contractor shall require Contractor’s commercial general liability insurer, Contractor’s commercial automobile liability insurer, and, if applicable, Contractor’s commercial umbrella liability insurer to name Judicial Branch Entities and Judicial Branch Personnel as additional insureds with respect to liability arising out of Contractor’s services under this Agreement.
- 3.7 **Certificates of Insurance.** Before Contractor begins performing services, Contractor shall give the JBE certificates of insurance attesting to the existence of coverage, and stating that the policies will not be canceled, terminated, or amended to reduce coverage without 30 or more days’ prior written notice to the JBE. Any replacement certificates of insurance are subject to the approval of the JBE, and, without prejudice to the JBE, Contractor shall not perform work before the JBE approves the certificates.

3.8 Qualifying Insurers. For insurance to satisfy the requirements of this section, all required insurance must be issued by an insurer with an A.M. Best rating of A - or better that is approved to do business in the State of California.

3.9 Required Policy Provisions. Each policy must provide, as follows:

- A. Insurance Primary; Waiver of Subrogation. The basic coverage provided is primary and non-contributory with any insurance or self-insurance maintained by Judicial Branch Entities and Judicial Branch Personnel, and the basic coverage insurer waives any and all rights of subrogation against Judicial Branch Entities and Judicial Branch Personnel; and
- B. Separation of Insureds. The commercial general liability policy, or, if maintained in lieu of that policy, the commercial umbrella liability policy, applies separately to each insured against whom a claim is made and/or a lawsuit is brought, to the limits of the insurer's liability.

3.10 Partnerships. If Contractor is an association, partnership, or other joint business venture, the basic coverage may be provided by either of the following methods:

- A. Separate. Separate insurance policies issued for each individual entity, with each entity included as a named insured or as an additional insured; or
- B. Joint. Joint insurance program with the association, partnership, or other joint business venture included as a named insured.

3.11 Consequences of Lapse. If required insurance policies lapse during the Term, the JBE is not required to process invoices after such lapse until Contractor provides evidence of reinstatement that is effective as of the lapse date.

4. Default and Remedies

4.1 Default. A default exists under this Agreement if:

- A. Contractor fails or is unable to meet or perform any of Contractor's duties under this Agreement, and this failure is not cured within 10 days' following notice of default or is not capable of being cured within this cure period;
- B. Contractor or Contractor's creditors file a petition as to Contractor's bankruptcy or insolvency, or Contractor is declared bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, goes into liquidation or receivership, or otherwise loses legal control of its business;
- C. Contractor makes or has made under this Agreement any representation or warranty that is or was incorrect, inaccurate, or misleading;

D. Any act, condition, or thing required to be fulfilled or performed by Contractor to (i) enable Contractor lawfully to enter into or perform its obligations under this Agreement, (ii) ensure that these obligations are legal, valid, and binding, or (iii) make this Agreement admissible when required is not fulfilled or performed.

4.2 Notice. Contractor shall notify the JBE immediately if Contractor defaults, or if a third party claim or dispute is brought or threatened that alleges facts that would constitute a default under this Agreement.

4.3 Remedies.

A. *Available Remedies.* The JBE may do any of the following:

- (1) Withhold all or any portion of a payment otherwise due to Contractor, and exercise any other rights of setoff as may be provided in this Agreement or any other agreement between a Judicial Branch Entity and Contractor;
- (2) Require Contractor to enter into non-binding mediation;
- (3) Exercise, following notice, the JBE's right of early termination of this Agreement as provided below; and
- (4) Seek any other remedy available at law or in equity.

B. *Remedies Cumulative.* All remedies provided for in this Agreement may be exercised individually or in combination with any other available remedy.

5. Termination and Cancellation; Effect of Expiration or Termination

5.1 Early Termination and Cancellation Rights.

- A. The JBE may terminate this entire Agreement immediately "for cause" if Contractor is in default;
- B. The JBE may also cancel delivery immediately of all or any portion of unshipped goods, or limit Contractor's services, and, proportionately, Contractor's compensation except to reimburse Contractor for its actual costs incurred before expenses arising out of early termination by the JBE, and any direct and indirect expenses incurred by cancellation of goods in process that are custom made for the JBE), if:
 - (1) the JBE determines that having Contractor provide the services has become infeasible due to changes in applicable laws or regulations; or
 - (2) expected or actual funding to compensate Contractor is withdrawn, reduced, or limited.

- C. The JBE may terminate this entire Agreement, with or without cause, by giving Contractor 30 days' notice.
- D. This entire Agreement will terminate immediately without further action of the parties upon the death, or temporary or permanent incapacity, of a natural person who is a party to this Agreement or a general partner of a partnership that is a party to this Agreement.

5.2 Effect of Expiration and Early Termination; Survival.

- A. Upon the Termination Date:
 - (1) The JBE shall be released from compensating Contractor for services, other than those Contractor satisfactorily performed before the Termination Date, and for any indirect costs.
 - (2) Without prejudice to the JBE, Contractor shall be released from performing services.
 - (3) Contractor shall return to the JBE any equipment purchased or built with JBE funds, with costs incurred by Contractor being reimbursed by the JBE.
- B. All provisions of this Attachment B will survive the expiration or termination of this Agreement, except for section 1 and promises regarding the maintenance of insurance in section 3 (other than section 3.2, which will also survive).

6. Assignment and Subcontracting; Successors

6.1 Permitted Assignments and Subcontracts.

- A. Neither party may assign or subcontract its rights or duties under this Agreement, except as follows:
 - (1) The JBE may assign the JBE's rights and duties to any Judicial Branch Entity. The JBE shall notify Contractor in writing within 30 days following the assignment.
 - (2) Either party may assign its rights and duties or subcontract portions of this Agreement to a third party if the non-assigning party gives advance written consent to the assigning party. Consent may be withheld for any reason or no reason. If a non-assigning party does consent, the consent will take effect only if there is a written agreement between the assigning or subcontracting party and all assignees and subcontractors, stating the assignees and subcontractors:

- (a) are jointly and severally liable to the non-assigning party for performing the duties in this Agreement of the assigning/subcontracting party;
- (b) affirm the rights granted in this Agreement to the non-assigning party;
- (c) make the representations and warranties made by the assigning/subcontracting party in this Agreement; and
- (d) appoint the non-assigning party an intended third party beneficiary under the written agreement with the assigning/subcontracting party.

B. No assignment or subcontract will release either party of its duties under this Agreement.

6.2 Successors. This Agreement binds the parties as well as their heirs, successors, and assignees.

7. Notices

Notices under this Agreement must be in writing. Notices may be delivered in person, via a reputable express carrier, or by registered or certified mail (postage pre-paid). Notice is effective on receipt; however, any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified will be treated as effective on the first day that the notice was refused, unclaimed, or deemed undeliverable. Notices must be addressed to the individual(s) listed immediately below. Either party may change its address for receipt of notice by giving notice at any time to the other party in the manner permitted by this paragraph.

If to the JBE:

If to Contractor:

Name: _____

Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

Phone: _____

Phone: _____

E-mail: _____

E-mail: _____

8. Miscellaneous Provisions; Interpretation

8.1 Independent Contractor. Contractor is an independent contractor to the JBE. No employer-employee, partnership, joint venture, or agency relationship exists between Contractor and the JBE.

8.2 Special Provisions for Agreements Providing for Compensation of \$50,000 or more; Union Activities Restrictions. As required under Government Code sections 16645-16649, if this Agreement provides for total Compensation of \$50,000 or more to Contractor, then the covenants in this section apply to Contractor's activities. Contractor shall not:

- A. Assist, promote, or deter union organizing by employees performing work under state or judicial branch contracts;
- B. Use the state's or JBE's funds received under this Agreement to assist, promote or deter union organizing; or
- C. For any business conducted under this Agreement, use any property of the state or JBE to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote, or deter union organizing, unless the state or judicial branch property is equally available to the general public for holding meetings.

If Contractor incurs costs, or makes expenditures to assist, promote, or deter union organizing, Contractor shall maintain records sufficient to show that no reimbursement from the state's and JBE's funds has been sought for these costs, and provide those records to the Attorney General upon request.

8.3 Audit and Records

- A. *Audit.* Contractor shall allow the JBE's designees and the JBE to review and audit Contractor's documents and records relating to this Agreement, subject only to a lawyer's duty of confidentiality owed to a represented party. Contractor shall correct errors and deficiencies by the 20th day of the month following the review or audit.
- B. *Ownership.* The JBE is the exclusive owner of all materials collected and produced in connection with the services. Upon the termination date (subject to any mutually agreed period of continuation of services), or upon the JBE's notice at any time, and subject only to the duty of confidentiality owed to a represented party, Contractor shall give original materials to the JBE or to another party at the JBE's direction. Contractor shall maintain all other materials in an accessible location and condition for a period of not less than four years after the later of:
 - (1) Contractor's receipt of final payment under this Agreement; and
 - (2) The JBE's resolution with Contractor of the findings of any final audit.

- C. *Copies.* Contractor may retain copies of any original documents Contractor provides to the JBE.

8.4 Special Provisions regarding Ownership of Results.

- A. *Special Provisions regarding Ownership of Certain Equipment.* If compensation under this Agreement is not through grant funding and this Agreement provides for the provision of equipment purchased or built with JBE funds, title to any equipment purchased or built with JBE funds shall vest in the JBE immediately upon payment of the purchase price. Before delivery to the JBE, Contractor is responsible for loss or damage to the equipment to the extent it results from the negligent act or omission of Contractor or its directors, officers, employees, or agents, and Contractor shall make all necessary or appropriate repairs and adjustments.

8.5 Confidential Information; Publicity.

- A. *Confidential Information.* Contractor agrees to hold in confidence the following confidential information Contractor receives in connection with this Agreement:

- (1) All written information that is marked confidential;
- (2) All non-public information in electronic form to which Contractor has access; and
- (3) All verbal information the JBE later confirms in writing is confidential.

The JBE owns the confidential information, and the JBE authorizes Contractor to use it only for purposes of performing this Agreement. For example, Contractor may give confidential information on a “need-to-know” basis to Contractor’s professional services providers, employees and subcontractors who have also executed confidentiality agreements that protect the JBE’s confidential information to the same extent as this section. Contractor may also disclose the JBE’s confidential information to the extent necessary to comply with law, provided Contractor gives the JBE advance notice.

- B. *Publicity.* Contractor shall not make any public announcement or press release about this Agreement without the prior written approval of the JBE’s Procurement and Contracting Officer.
- C. *Specific Performance.* Contractor understands a default under this section will result in irreparable damage for which no adequate remedy will be available. Accordingly, injunctive or other equitable relief is a remedy that the JBE will be entitled to seek.

8.6 Special Provisions Applicable to Competitively Bid Contracts; Antitrust Claims. If services or goods under this Agreement were obtained by means of

a competitive bid, Contractor shall comply with the requirements of Government Code sections set out below.

- A. Contractor shall assign to the JBE all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by Contractor for sale to the JBE pursuant to the bid. Such assignment shall be made and become effective at the time the JBE tenders final payment to the Contractor. (GC 4552)
- B. If the JBE receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the Contractor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the JBE any portion of the recovery, including treble damages, attributable to overcharges that were paid by the Contractor but were not paid by the JBE as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. (GC 4553)
- C. Upon demand in writing by the Contractor, the JBE shall, within one year from such demand, reassign the cause of action assigned under this part if the Contractor has been or may have been injured by the violation of law for which the cause of action arose and (1) the JBE has not been injured thereby, or (2) the JBE declines to file a court action for the cause of action. (GC 4554)

8.7 Choice of Law and Jurisdiction. California law, without regard to its choice-of-law provisions, governs this Agreement. Jurisdiction for any legal action arising from this agreement shall exclusively reside in state or federal courts located in California, and the parties hereby consent to the jurisdiction of such courts.

8.8 Negotiated Agreement. This Agreement has been arrived at through negotiation between the parties. Neither party is the party that prepared this Agreement for purposes of construing this Agreement under California Civil Code §1654.

8.9 Amendment and Waiver. No amendment to this Agreement will be effective unless in writing. A party's waiver of enforcement of any of this Agreement's terms or conditions is effective only if in writing. A party's specific waiver does not constitute a waiver by that party of any earlier, concurrent, or later breach or default.

8.10 Authority and Binding Effect. Each party warrants it has the authority to enter into this Agreement, it may perform the services provided for in this Agreement, and its representative who signs this Agreement has the authority

to do so. Each party warrants this Agreement constitutes a valid and binding obligation of the party, enforceable in accordance with its terms.

8.11 Severability. If any part of this Agreement is held unenforceable, all other parts remain enforceable.

8.12 Headings. All headings are for reference purposes only and do not affect the interpretation of this Agreement.

8.13 Time of the Essence. Time is of the essence of the Contractor's performance of services under this Agreement.

8.14 Counterparts. This Agreement may be executed in counterparts, each of which is considered an original.

[END OF ATTACHMENT B]

ATTACHMENT C

Statement of Acceptance of Terms & Conditions

The undersigned attests that s/he has read and understands the Terms and Conditions attached herein and that s/he is authorized to fully bind and commit the bidding company.

Company name _____

Street Address _____

City/State/Zip _____

Signature _____

Printed Name _____

Title _____

Date _____

Proposer must identify all exceptions (if any) to Court's Terms and Conditions and must further submit a red-lined version of the proposed Terms and Conditions with the proposal.

****Note: A material exception to a Minimum Term will render a proposal non-responsive.**

Minimum Terms include numbers: 1, 2, 3, 4, 8.15

[END OF ATTACHMENT C]

ATTACHMENT D

Court Locations and Square Footage (estimated)

Main Courthouse 1100 Van Ness Ave Fresno, CA 93724 219,225 sq. ft.	B.F. Sisk Courthouse 1030 O Street Fresno, CA 93721 195,178 sq. ft.	"M" Street Courthouse 2317 Tuolumne Street Fresno CA 93721 26,035 sq. ft.
Archives Facility 1963 "E" Street Fresno, CA 93706 26,455 sq. ft.	Calwa Warehouse 3883 E. Calwa Fresno, CA 93725 5,568 sq. ft.	Clovis Court 1011 Fifth Street Clovis, CA 93612 5,025 sq. ft.
Firebaugh Court 1325 "O" Street Firebaugh, CA 93622 4,800 sq. ft.	Kingsburg Court 1600 California Street Kingsburg, CA 93631 4,875 sq. ft.	Reedley Court 815 "G" Street Reedley CA 93654 5,952 sq. ft.
Sanger Court 619 "N" Street Sanger, CA 93657 3,825 sq. ft.	Selma Court 2424 McCall Avenue Selma, CA 93662 4,800 sq. ft.	North Annex Jail 1265 "M" Street Fresno, CA 93721 9,490 sq. ft.
Delinquency Court 3333 E. American Ave., Bldg. 701, Ste. A Fresno, CA 93725 146,411 sq. ft.		Coalinga Court 160 W. Elm Avenue Coalinga, CA 93210 3,715 sq. ft.

HOURS OF OPERATION: 8:00 a.m. to 4:00 p.m.

Please note March 31 is a COURT holiday and is observed at all locations.

[END OF ATTACHMENT D]



Judicial Council of California Administrative Office of the Courts

Trial Court Financial Policies and Procedures

Policy No.
Page

FIN 9.01
1 of 14

FIXED ASSET MANAGEMENT

POLICY NUMBER: AOC FIN 9.01

Original Release Date:

April 1, 2001

Effective Date:

September 1, 2010

Revision Date:

October 7, 2009

Fixed Asset Management

1.0 Table of Contents

(Original 8/01)

- 1.0 Purpose
- 2.0 Policy Statement
- 3.0 Table of Contents
- 4.0 Application
- 5.0 Definitions
- 6.0 Text
 - 6.1 Background
 - 6.2 Asset Capitalization Policy
 - 6.3 Identification Tags
 - 6.4 Responsibility for Fixed Assets
 - 6.5 Equipment Utilization
 - 6.6 Physical Inventory
 - 6.7 Transfer and Disposal of Inventory Items and Fixed Assets
- 7.0 Associated Documents

2.0 Purpose

(Original 8/01)

The purpose of this policy and the following procedures is to provide uniform guidelines for the trial court to acquire, capitalize, monitor and dispose of fixed assets.

3.0 Policy Statement

(Original 8/01)

1. The trial court shall establish and maintain a Fixed Asset Management System to record, control and report all court assets in accordance with this policy's uniform guidelines.

Trial Court Financial Policies and Procedures	Fixed Asset Management	Policy No. FIN 9.01 Page: 3 of 14
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2. Whether the Fixed Asset Management System is maintained and operated by the trial court or the county, the trial court's primary objectives shall be to:
 - a. Ensure that court assets are properly identified and recorded.
 - b. Ensure that court assets are effectively utilized.
 - c. Safeguard court assets against loss or misuse.

4.0 Application (Original 8/01)

This policy applies to all trial court officials and employees who are involved in the acquisition, custody, record processing, transfer or disposal of trial court fixed assets and equipment.

5.0 Definitions (Revised 9/10)

Refer to the Glossary for the following key term used in this policy.

Asset(s)
Court Personal Property
Disposable Items
Equipment
Fixed Asset
Identification Numbers & Register
Inventory
Inventory Item(s)
Record of Physical Inventory
Software

Trial Court Financial Policies and Procedures	Fixed Asset Management	Policy No. FIN 9.01 Page: 4 of 14
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6.0 Text

6.1 Background (Original 8/01)

1. The passage of the Lockyer-Isenberg Trial Court Funding Act of 1997 (Assembly Bill 233), which became effective on January 1, 1998, fundamentally changed the trial court administrative structure and its longstanding relationship with the county. Under the new operating framework, the trial courts receive their funding from the State and are separate and distinct organizations from the counties. Each trial court is now responsible for its own “court operations” (Government Code 77003).
2. GC 68073.1 provided that all furniture, furnishings, and equipment used solely by a trial court on June 30, 1997, became the property of the court, unless the county was prohibited from transferring title by contract, agreement, covenant, or other provisions of the law. In addition, the county must continue to provide any other furniture, furnishings, or equipment made available to the court on June 30, 1997, unless otherwise agreed to by the court and the county. For anything transferred to the court, under GC 68073.1, the court assumed responsibility for any rental or lease obligation as well as repair, maintenance, and replacement.
3. Court facilities are not within the definition of “court operations”. The county is responsible for providing “necessary and suitable facilities for judicial and court support positions for judgeships created prior to July 1, 1996” [GC 68073 (b)]. Unless otherwise agreed by the court and county, the state is responsible for “suitable and necessary facilities for judicial officers and support staff for any judgeships authorized during the period from January 1, 1998 to June 30, 2001” [GC 77654 (i)].

Trial Court Financial Policies and Procedures	Fixed Asset Management	Policy No. FIN 9.01 Page: 5 of 14
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6.2 Asset Capitalization Policy

(Revised 9/10)

1. All court assets, excluding court facilities as defined above, that were either transferred from the county to the court on June 30, 1997, or purchased by the court on or after July 1, 1997, must be recorded and classified in one of the following categories described in Sub-sections:
 - a. 6.2.1 Disposable items
 - b. 6.2.2 Inventory items
 - c. 6.2.3 Software
 - d. 6.2.4 Fixed assets

6.2.1 Disposable items

(Original 8/01)

1. Disposable items are purchases with a value of ***less than \$500*** that are intended for one time use, or that have an anticipated useful life of less than one year. These purchases shall be recorded as an expense during the current fiscal year. Examples of disposable items are office supplies, courtroom supplies, consumables, etc.
2. The court is not required to record and track disposable items in the Fixed Asset Management System.

6.2.2 Inventory items

1. Individual items transferred from the county or purchased directly by the court with an individual value of **more than \$1,000 and less than \$5,000** and an anticipated useful life of more than one year, shall be classified as inventory items. In addition, property that is particularly subject to loss or theft that is valued at less than \$1,000 shall also be classified as inventory items. Examples

- include small office equipment, calculators, adding machines, cellular phones, small tools, printers, monitors, etc.
2. The trial court shall maintain a detailed and up-to-date inventory listing of these items showing the appropriate description and quantities.
 3. Periodic physical inventories shall be conducted to count the actual quantities on hand, determine the usefulness or obsolescence of the items and reconcile the accounting records. An annual inventory is recommended, an inventory must be performed no less than every three years.¹

6.2.3 Software

(Revised 8/02)

1. The trial court uses a number of commercially available and custom computer software programs in its daily operations. It shall be the responsibility of the court's information systems department or, where there is none, a written designee of the Court Executive Officer to maintain a current list of court-owned computer software.
2. Computer software developers typically impose limitations regarding the use of their products through licensing agreements. It shall be the responsibility of the court information systems department to assure compliance with the license conditions of software products used by the court (e.g., limitations on the number of users, number of copies in circulation, etc.).
3. The court information systems department will keep all software-related documentation, licenses, etc., in a designated location. Identification tags, if required, shall be placed in a file with the software license (see Section 6.3, Identification Tags).

¹ This corresponds with the requirements for counties established in Government Code 24051.

6.2.4 Fixed Assets

(Revised 9/10)

1. Individual items transferred from the county or purchased directly by the court with a value of **\$5,000 or more** and with an anticipated useful life of more than one year shall be capitalized (classified as fixed assets) and tracked separately. Examples of fixed assets are vehicles, security equipment, verbatim reporting equipment, servers, copiers, etc.

(Original 8/01)

2. The trial court shall record all transactions associated with transferred or acquired fixed assets in the court's general ledger and sub-ledgers (such as a Fixed Asset Management System).
3. The following information shall be maintained in the Fixed Asset Management System:
 - a. Description of the fixed asset
 - b. Date of acquisition
 - c. Value of the fixed asset (based on acquisition cost or appraisal value at time of transfer)
 - d. Estimated useful life
 - e. Salvage value (if applicable)
 - f. Remaining balance (net book value), if applicable.
4. Fixed Assets shall be assigned to a responsible court unit using proper budgetary unit, program, department or organization codes.

Trial Court Financial Policies and Procedures	Fixed Asset Management	Policy No. FIN 9.01 Page: 8 of 14
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6.3 Identification Tags

(Original 8/01)

1. Once the necessary information has been recorded in the Fixed Asset Management System, a unique identification number must be assigned to each fixed asset or inventory item.
2. An identification number must be affixed to each item in the form of a tag or decal that is not easily removed. The tag should be located on the item so that it is readily legible during physical inventories.
3. The tags or decals should be serially numbered. Unused decals should be kept in a secure place and an Identification Number Register should be maintained for accountability of the assets. The register serves as a means for controlling identification numbers, and aids in verifying that all fixed assets and inventory items have been included in the inventory.

6.4 Responsibility for Fixed Assets

(Original 8/01)

1. All fixed assets shall be assigned to a particular court unit or location.
2. A fixed asset management and tracking system shall be used to establish and maintain a complete listing of all tagged items assigned to a particular unit or location.

(Revised 9/10)

3. Each court unit or location shall maintain a Record of Physical Inventory that lists the tagged assets assigned to it. A copy of the Record of Physical Inventory shall also be maintained by the Presiding Judge or a designated employee for control purposes.

6.5 Equipment Utilization

(Original 8/01)

1. It is the responsibility of the Presiding Judge and all trial court employees responsible for court assets and equipment to:
 - a. Maintain control over assigned items.
 - b. Identify underutilized items.
 - c. Dispose of items that will not be used in the foreseeable future.
2. At a minimum, the court should make a periodic review of underutilized equipment to determine whether such equipment should be transferred or disposed.

6.6 Physical Inventory

(Revised 8/02)

1. The trial court shall conduct a physical inventory of all court assets and equipment on a periodic basis. An annual inventory is recommended, an inventory must be performed no less than every three years.²
2. The inventory count recorded at each unit or location shall be reconciled against the asset records. Variances shall be investigated and resolved. Unexplained losses or missing items shall be reported to the Fiscal Officer or another designated employee.
3. Written approval must be obtained from the Fiscal Officer or other designated employee prior to adjusting any asset records.

² This corresponds with the requirements for counties established in Government Code 24051.

6.7 Transfer and Disposal of Inventory Items and Fixed Assets

(Revised 8/02)

Over time, new assets or equipment may be acquired, obsolete items disposed of, or items may be transferred between locations. To protect the integrity of the Fixed Asset Management System, a record of Asset Transfer or Disposal shall be used.

6.7.1 Transfer of Inventory Items and Fixed Assets

(Revised 9/10)

1. A listing of assets for transfer/disposal shall be prepared to record the permanent transfer of a fixed asset or equipment between units or locations. The list must include the following information:
 - a. Serial number
 - b. Description
 - c. Purchase date and
 - d. Purchase amount
2. The asset transfer/disposal list shall be approved by an authorized court official acting within the scope of his or her authority.
3. Copies of these asset transfer/disposal lists shall be maintained by the Fiscal Officer, the unit or location from which the item is being transferred, and the receiving unit.

6.7.2 Disposal of Inventory Items and Fixed Assets

(Revised 9/10)

1. California Rule of Court 10.830 establishes the acceptable means of disposal for court personal property. The court may:

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(Original 8/01)

- a. Sell personal property that is no longer needed for court use for fair market value.
 - b. Trade surplus personal property with another government or public agency if the property received in return is needed for court use.
 - c. Donate, sell at less than fair market value, or otherwise transfer personal property to another government or public agency if the court no longer needs the property for its own use.
 - d. Dispose of personal property that is no longer needed for court use and that has **negligible or no economic value** in a manner deemed appropriate by the court.
2. The Court Executive Officer or documented designee must approve the disposal of any asset or equipment.
 3. An asset transfer/disposal form shall be prepared to record the disposal of the fixed asset or equipment.
 4. Copies of the asset transfer/disposal form shall be maintained by the Court Executive Officer or documented designee and by the disposing unit or location.
 5. Trial court officers, managers or supervisors are prohibited from purchasing assets from the court in the disposition process.
 6. The proceeds resulting from any disposal of court personal property shall be deposited in the Trial Court Operations Fund.

6.7.3 Notice of Disposal (Revised 9/10)

1. Rule of Court 10.830 also provides that the trial court must publicize its intention to transfer or dispose of court personal property. This must be accomplished at least one week prior to the transfer or disposal by placing a notice in at least one of the following:

(Original 8/01)

- a. In three public places.
 - b. On the court website.
 - c. In a newspaper of general circulation published in the county.
2. The notice of disposal requirement does not apply to property that is valued at less than \$500 or for transfers of property to another California court.

6.7.4 Disposal of Technology Equipment (Revised 9/10)

1. Rule of Court 10.830 defines the practices for disposing of technology equipment acquired by the court on or after July 1, 2000.

(Original 8/01)

2. The court must provide a written description of the technology equipment to be disposed of to the Administrative Director of the Courts.
3. The Administrative Director shall have 60 days to determine whether another court is in need of the surplus technology equipment. If another court that needs the equipment is identified,

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the trial court that owns the technology equipment must donate it to the court in need.

(Revised 09/10)

4. Additionally, the court must list the technology equipment on the Trial Court Surplus Materials website³, where another trial court can claim the specific equipment it needs.
5. If no other court is identified within 60 days, the trial court may dispose of the surplus technology equipment as described in Sub-section 6.7.2 above.

³ Refer to Serranus for more information on the Trial Court Surplus Materials web site.

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7.0 **Associated Documents** (Original 8/01)

None